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| EXAMINER |
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SOREY, ROBERT A

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3626

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08/24/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

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|------------------------------|--------------------------------------|---------------------------------------|--|
| Office Action Summary | Application No. 10/620,429 | Applicant(s) CADIGAN ET AL. | |
| | Examiner ROBERT SOREY | Art Unit 3626 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 June 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-10,21-27 and 29-36 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-10,21-27 and 29-36 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

1. In the amendment filed 06/02/2009, the following occurred: Claim 1 was amended; and claim 11 was cancelled. Claims 1-10, 21-27, and 29-36 are presented for examination.

Claim Objections

2. **Claim 29** is objected to for improper dependence upon a cancelled claim (claim 28). The claim must be cancelled or amended in some way as to remedy this deficiency. Appropriate action is required.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. **Claims 1-10** are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims appear to be software per se without any structural requirements. The MPEP states: "Since a computer program is merely a set of instructions capable of being executed by a computer, the computer program itself is not a process and USPTO personnel should treat a claim for a computer program, without the computer-readable medium needed to realize the computer program's functionality, as nonstatutory functional descriptive material" (MPEP §2106.01).

5. **Claims 21-27 and 29-36** are rejected under 35 U.S.C. 101 based on Supreme Court precedent and recent Federal Circuit decisions. The Office's guidance to

Art Unit: 3626

examiners is that a § 101 process must (1) be tied to another statutory class (such as a particular **machine**) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilsky, 88 U.S.P.Q.2d 1385 (Fed. Cir. 2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); and Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

6. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied. This can be done, for example, by identifying the apparatus that accomplishes the method steps, by positively reciting the subject matter that is being transformed, or by identifying the material that is being changed to a different state.

7. Applicant's method steps in claims 21-27 and 29-36 fail the first prong of the new Federal Circuit decision since they are not tied to another statutory class and can be preformed without the use of a particular apparatus. Furthermore, the method steps fail to transform underlying subject matter to a different state or thing. For example, claim 21 teaches capturing disablement information, performing automated benefits calculations, providing means for loading further plan calculations, performing reporting, downloading policyholder information, and accessing a benefit code, but in no way is it clear as to how this is accomplished (such as, accomplished by a particular **machine**). It is recommended that Applicant simply add any structural language from the

Art Unit: 3626

specification as necessary to complete a statutorily compliant method having Applicant's desired capabilities.

Claim Rejections - 35 USC § 112

8. As required by MPEP § 2181(I), **claims 1, 7, 8, 10, 21, and 23** are being treated under 35 U.S.C. 112, 6th paragraph. Claim elements such as “means for capturing”, “means for accessing”, “means for applying”, “means for handling”, “means for allowing”, “means for limiting”, “means for loading”, and “means for loading” are a means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph. The written description only implicitly or inherently sets forth the corresponding structure, material, or acts that perform the claimed function.

Pursuant to 37 CFR 1.75(d) and MPEP §§ 608.01(o) and 2181, applicant is required to:

- (a) Amend the claim so that the claim limitation will no longer be a means (or step) plus function limitation under 35 U.S.C. 112, sixth paragraph; or
- (b) Amend the written description of the specification such that it expressly recites the corresponding structure, material, or acts that perform the claimed function and clearly links or associates the structure, material, or acts to the claimed function, without introducing any new matter (35 U.S.C. 132(a)); or
- (c) State on the record what the corresponding structure, material, or acts, which are implicitly or inherently set forth in the written description of the specification, perform the claimed function.

9. The following is a quotation of the second paragraph of 35 U.S.C. 112:

Art Unit: 3626

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

10. **Claims 1, 7, 21, and 30** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

11. As per claim 1, Applicant teaches "multiple disablement scenarios", but it is unclear as to what Applicant means by "scenarios". Please give a couple of examples as to what Applicant inventions as differing disablement scenarios.

12. As per claims 1, 21, and 30, Applicant teaches a plurality of formulas but it is unclear as to how these formulas would differ - what distinguishes the formulas? In claim 30, Applicant teaches more specifically that each formula includes a total dollars result variable based on a MAX variable, an EP variable, and a PCT variable. This seems to indicate that there is one formula with a number of dependent variables that yield a particular result. Or does Applicant mean that changing the value of a variable *changes*, in a sense, the formula into a *different* formula? Assuming that there are different formulas, which formulas are used in which situation – how is this decided?

13. As per claims 1, 21, and 30, Applicant teaches "benefits calculation" and the like throughout the claims, but what does Applicant mean by "benefit" exactly? Does this refer to a coverage benefit amount or to a claim settlement amount?

14. As per claim 7, Applicant teaches "expense payment and adjustment tools further comprise means for applying payments by claim to benefit and expense accounts", but it is unclear as to how payments are applied, by claim, to benefit and expense accounts – what does this mean? To whom do the benefit and expense accounts belong and why

Art Unit: 3626

or how are they treated identically by the expense payment and adjustment tools.

Additionally, what does it mean that payments are applied "by claim"?

15. As per claim 30, Applicant teaches "searching for a formula that corresponds to the appropriate benefit", but how is *appropriateness* defined, what does Applicant mean by "appropriate", i.e., how is the formula to be used determined?

16. As per claim 30, Applicant teaches "a total dollars step that generates an amount for indemnity benefits" and a "MAX step that limits an amount payable to a maximum", but how does these two numbers differ - what distinguishes them? Is not the maximum payable amount the total dollar indemnity benefit?

Claim Rejections - 35 USC § 103

17. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

18. **Claims 1-7, 9, 21-26, and 29** are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 6,343,271 to Peterson in view of U.S. Patent Application Publication 2003/0167220 to Schoen further in view of U.S. Patent 5,191,522 to Bosco.

19. As per claim 1, Peterson teaches an automated system for managing insurance information and processing insurance claims, the automated system residing on a host server, the automated system comprising (see: Peterson, column 3 line 66 through column 4, line 5):

--means for capturing and maintaining disablement information (see: Peterson, column 8, lines 50-60) including a network interface and a user interface for capturing the disablement information (Fig. 2, ele. 32)(see: Peterson, column 2, lines 1-4; column 3 line 66 through column 4, line 5; column 6, lines 64-66; column 7, lines 44-56; and column 14, lines 16-31) and a database for storing the disablement information (Fig. 2, ele. 28; Fig. 4, ele. 28 and 50; and Fig. 10, ele. 236 and 240); and

--processing tools for processing the disablement information, the processing tools comprising a benefits calculation engine for determining benefits payable (Fig. 1, ele. 20)(see: Peterson, column 6, lines 48-63),

Peterson fails to specifically point out:

--the benefits calculation engine comprising a plurality of formulas, each formula corresponding to specific disablement information such that there is an association respectively between a formula and specific disablement information, the benefits calculation engine calculates benefits for multiple reimbursement products available for multiple disablement scenarios; and

However, Schoen teaches a system "to enable disability issuing insurance carriers....to perform data processing, calculation of coverage and or benefits, premium, and/or other consideration, record keeping and other requisite functions attendant to offering and administering group or individual disability insurance" (see: Schoen, paragraph 39). Schoen's "invention can thus be viewed as a digital system capable of performing calculations required to illustrate and offer disability coverage or benefits to participants of all types of IRA plans and individual social security retirement account

Art Unit: 3626

plans and to perform every aspect of ongoing administration of such coverage or benefits" (see: Schoen, paragraph 67), "the computing can include computing the coverage benefits costs for benefits" (see: Schoen, paragraph 104). The user of Schoen's system "calculates coverage and benefit payout amounts for all insureds" (see: Schoen, paragraph 309). Schoen's system is configured to "set up multiple plans based upon different participation criteria" and the "system must be capable to tracking each plan separately yet combine them for various purposes" (see: Schoen, paragraph 258). Furthermore, "logic is provided for determining coverage amount and benefit payouts" and "logic is provided for reading the plan design to enable determining coverage amount and benefit payouts" (see: Schoen, paragraph 371 and 372).

Peterson fails to specifically teach:

--the benefits calculation engine comprises means for accessing a benefit code that corresponds respectively to each reimbursement product.

However, Bosco teaches a benefit codes for each type of benefit - an amount payable per contractual obligations specified in the insurance policy (see: Bosco, column 9, lines 65-68).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Peterson, Schoen, and Bosco. The well known elements described are merely a combination of old elements, and in the combination, each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Art Unit: 3626

20. As per claim 2, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--the processing tools further comprise benefit payment processing tools for paying benefits calculated by the benefits calculations engine (see: Peterson, column 1, lines 8-15; column 4, lines 60-65; and column 10, lines 7-16).

21. As per claim 3, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--the processing tools further comprise claim management and plan loading tools for updating the benefits calculation engine (see: Peterson, column 8, lines 48-64).

22. As per claim 4, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--the processing tools further comprise customer service tools for collecting provider data, conducting claims inquiries, and facilitating new claims setup (Fig. 2, ele. 30)(see: Peterson, column 6, lines 15-20; and column 9, lines 18-25).

23. As per claim 5, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--the processing tools further comprise claim adjudication tools for tracking financial adjudication data (Fig. 4, ele. 48)(see: Peterson, column 9, lines 46-50).

24. As per claim 6, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--the processing tools further comprise expense payment and adjustment tools for processing reimbursement vendor bills, separating benefits from expenses, and

Art Unit: 3626

remitting fees for multiple transactions in a single transaction (Fig. 1 and 4)(see: Peterson, column 8, lines 55-59; column 8, line 65-column 9, line 16; column 9, lines 17-35; and column 9, line 62 through column 10, line 16).

Note that Peterson represents the benefits and expense/payment modules separately in the drawings, and that the adjudication and banking functions read on the accounting aspects of applicant's invention including: reimbursement of bills, separating accounting functions, and reimbursement of multiple transactions via a single payment, all of which is old and well known in the art at the time the invention was made.

25. As per claim 7, Peterson teaches the invention substantially as claimed, see discussion of claim 6, and further teaches:

--the expense payment and adjustment tools further comprise means for applying payments by claim to benefit and expense accounts (see: Peterson, column 2, lines 1-14).

26. As per claim 9, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--claim and financial reporting tools for performing financial reporting (see: Schoen, paragraph 258), *claim valuation* (see: Schoen, paragraph 169), *statistical analysis* (see: Schoen, paragraph 27), *partnership reporting* (see: Schoen, paragraph 258), *bank reconciliation* (see: Peterson, column 10, lines 1-6), and *check writing* (see: Peterson, column 2, lines 1-14).

Art Unit: 3626

27. As per claim 21, Peterson teaches a method for reducing the manual effort involved in insurance claims payment, benefits calculation, and vendor bill calculation, the method comprising using an automated system for performing the steps of:

--capturing disablement information (see: Peterson, column 8, lines 50-60) for adjudication, claims management, and pricing (see: Peterson, column 3, line 65 through column 4, line 6; and column 9, lines 46-50);

--performing automated benefits calculation for existing plans with a benefits calculation engine (see: Peterson, column 4, lines 58-65);

--downloading policyholder information to set up and administer claims (see: Peterson, column 4, lines 6-20); and

Peterson does not specifically teach:

--providing means for loading future plan calculations and eligibility;

--performing statutory and internal reporting and feeds; and

However, Schoen teaches a system "to enable disability issuing insurance carriers....to perform data processing, calculation of coverage and or benefits, premium, and/or other consideration, record keeping and other requisite functions attendant to offering and administering group or individual disability insurance" (see: Schoen, paragraph 39). Schoen's "invention can thus be viewed as a digital system capable of performing calculations required to illustrate and offer disability coverage or benefits to participants of all types of IRA plans and individual social security retirement account plans and to perform every aspect of ongoing administration of such coverage or benefits" (see: Schoen, paragraph 67), "the computing can include computing the

Art Unit: 3626

coverage benefits costs for benefits" (see: Schoen, paragraph 104). The user of Schoen's system "calculates coverage and benefit payout amounts for all insureds" (see: Schoen, paragraph 309). Schoen's system is configured to "set up multiple plans based upon different participation criteria" and the "system must be capable to tracking each plan separately yet combine them for various purposes" (see: Schoen, paragraph 258). Furthermore, "logic is provided for determining coverage amount and benefit payouts" and "logic is provided for reading the plan design to enable determining coverage amount and benefit payouts" (see: Schoen, paragraph 371 and 372).

Peterson fails to specifically teach:

--the method further comprising the step of accessing a benefit code in order to select an appropriate reimbursement formula (see: Peterson, column 2, lines 30-56).

However, Bosco teaches a benefit codes for each type of benefit - an amount payable per contractual obligations specified in the insurance policy (see: Bosco, column 9, lines 65-68).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Peterson, Schoen, and Bosco. The well known elements described are merely a combination of old elements, and in the combination, each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

28. As per claim 22, Peterson teaches the invention substantially as claimed, see discussion of claim 21, and further teaches:

--the step of paying a benefit amount calculated by the benefits calculations engine using benefit payment processing tools (see: Peterson, column 1, lines 8-15; column 4, lines 60-65; and column 10, lines 7-16).

29. As per claim 23, Peterson teaches the invention substantially as claimed, see discussion of claim 22, and further teaches:

--the step of providing means for loading future plan calculations and eligibility comprises receiving updated calculation information with claim management and plan loading tools (see: Peterson, column 7, lines 18-44; and column 8, lines 55-64).

30. As per claim 24, Peterson teaches the invention substantially as claimed, see discussion of claim 23, and further teaches:

--the step of capturing disablement information comprises using customer service tools for collecting data (Fig. 2, ele. 32)(see: Peterson, column 2, lines 1-4; column 3 line 66 through column 4, line 5; column 6, lines 64-66; column 7, lines 44-56; column 14, lines 16-31; and column 8, lines 50-60).

31. As per claim 25, Peterson teaches the invention substantially as claimed, see discussion of claim 21, and further teaches:

--the step of tracking financial adjudication data using claim adjudication tools (Fig. 4, ele. 48)(see: Peterson, column 9, lines 46-50).

32. As per claim 26, Peterson teaches the invention substantially as claimed, see discussion of claim 21, and further teaches:

--using expense payment and adjustment tools for processing reimbursement vendor bills, separating benefits from expenses, and remitting fees for multiple

Art Unit: 3626

transactions in a single transaction (Fig. 1 and 4)(see: Peterson, column 8, lines 55-59; column 8, line 65-column 9, line 16; column 9, lines 17-35; and column 9, line 62 through column 10, line 16).

Note that Peterson represents the benefits and expense/payment modules separately in the drawings, and that the adjudication and banking functions read on the accounting aspects of applicant's invention including: reimbursement of bills, separating accounting functions, and reimbursement of multiple transactions via a single payment, all of which is old and well known in the art at the time the invention was made.

33. As per claim 29, Peterson teaches the invention substantially as claimed, see discussion of claim 28, and further teaches:

--the step of using formula having calculation steps and traffic regulating steps in order to calculate benefits (see: Schoen, paragraph 254-255 and 308).

34. **Claims 8, 10, and 27** are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 6,343,271 to Peterson in view of U.S. Patent Application Publication 2003/0167220 to Schoen in view of U.S. Patent 5,191,522 to Bosco further in view of Official Notice.

35. As per claim 8, Peterson teaches the invention substantially as claimed, see discussion of claim 6, and further teaches:

--the expense payment and adjustment tools further comprise means for handling voided checks and returned checks and means for allowing benefit payments to be canceled and associated checks to be voided (see: Peterson, column 10, lines 36-42; column 15, lines 36-40; and column 17, lines 5-10).

Art Unit: 3626

Peterson does not specifically teach canceling benefit payments or voiding checks for undue payment. However, the examiner takes Official Notice that canceling benefit payments (e.g., benefits are canceled once the injured party is able to return to work or once a benefits cap is reached) and voiding a check for a canceled payment is common, old, and well known in the art at the time the invention was made.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Peterson, Schoen, Bosco, and Official Notice. The well known elements described are merely a combination of old elements, and in the combination, each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

36. As per claim 10, Peterson teaches the invention substantially as claimed, see discussion of claim 1, and further teaches:

--the benefits calculation engine comprises means for limiting benefit payments to coverage maximums (see: Peterson, column 7, lines 31-43) and for calculating an elimination period in days and a deductible in dollars (see: Peterson, column 8, lines 50-60).

Peterson does not specifically teach calculating an elimination period in days and a deductible in dollars, but the examiner takes Official Notice that these elements were old and well known in the art at the time the invention was made. For example, in one plan, a male accountant who purchases a monthly benefit of \$4250 to age 65 will pay \$4036 annually for a policy with a 30-day elimination period and a \$500 deductible.

Art Unit: 3626

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Peterson, Schoen, Bosco, and Official Notice. The well known elements described are merely a combination of old elements, and in the combination, each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

37. As per claim 27, Peterson teaches the invention substantially as claimed, see discussion of claim 21, and further teaches:

--the step of performing automated benefits calculation comprises limiting benefit payments to coverage maximums (see: Peterson, column 7, lines 31-43) and calculating an elimination period and a deductible (see: Peterson, column 8, lines 50-60).

Peterson does not specifically teach calculating an elimination period and a deductible, and the examiner takes Official Notice that these elements were old and well known in the art at the time the invention was made. For example, in one plan, a male accountant who purchases a monthly benefit of \$4250 to age 65 will pay \$4036 annually for a policy with a 30-day elimination period and a \$500 deductible.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Peterson, Schoen, Bosco, and Official Notice. The well known elements described are merely a combination of old elements, and in the combination, each element merely would have performed the same function

Art Unit: 3626

as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

38. **Claims 30-36** are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 6,343,271 to Peterson in view of U.S. Patent Application Publication 2003/0167220 to Schoen and further in view of Official Notice.

39. As per claim 30, Peterson teaches a method for automatically processing a request for insurance benefits, the method comprising:

--receiving a benefit request (see: Peterson, column 2, lines 40-51);

--accessing captured disablement information to determine an appropriate benefit (see: Peterson, column 4, lines 21-65; and column 8, lines 50-60);

--searching for a formula that corresponds to the appropriate benefit (see: Peterson, column 14, lines 35-40), a MAX step that limits an amount payable to a maximum (see: Peterson, column 7, lines 31-43),

Additionally, Schoen teaches searching and finding information (see: Schoen, paragraph 188). Peterson fails to specifically teach:

--each formula including at least one calculation step selected from a total dollars step that generates an amount for indemnity benefits,

--modifying an existing formula to correspond to an appropriate benefit if the appropriate benefit has no corresponding formula; and

--using the corresponding formula to calculate a benefit.

However, Schoen teaches a system “to enable disability issuing insurance carriers....to perform data processing, calculation of coverage and or benefits, premium,

Art Unit: 3626

and/or other consideration, record keeping and other requisite functions attendant to offering and administering group or individual disability insurance" (see: Schoen, paragraph 39). Schoen's "invention can thus be viewed as a digital system capable of performing calculations required to illustrate and offer disability coverage or benefits to participants of all types of IRA plans and individual social security retirement account plans and to perform every aspect of ongoing administration of such coverage or benefits" (see: Schoen, paragraph 67), "the computing can include computing the coverage benefits costs for benefits" (see: Schoen, paragraph 104). The user of Schoen's system "calculates coverage and benefit payout amounts for all insureds" (see: Schoen, paragraph 309). Schoen's system is configured to "set up multiple plans based upon different participation criteria" and the "system must be capable to tracking each plan separately yet combine them for various purposes" (see: Schoen, paragraph 258). Furthermore, "logic is provided for determining coverage amount and benefit payouts" and "logic is provided for reading the plan design to enable determining coverage amount and benefit payouts" (see: Schoen, paragraph 371 and 372).

Peterson and Schoen teach:

--an EP step that requires an elimination period to be met prior to payment, and a PCT step that pays a fixed percentage of remaining funds;

Peterson teaches disability insurance provisions (see: Peterson, column 8, lines 50-60), but does not specifically teach calculating an elimination period or a fixed percentage of remaining funds, but the Examiner takes Official Notice that these elements were old and well known in the art at the time the invention was made. For

Art Unit: 3626

example, in one plan, a male accountant purchases a monthly benefit of 80% of his monthly income prior to disability to age 65 with a 30-day elimination period and a \$1,000,000.00 cap.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Peterson, Schoen, and Official Notice. The well known elements described are merely a combination of old elements, and in the combination, each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

40. As per claim 31, Peterson teaches the invention substantially as claimed, see discussion of claim 30, and further teaches:

--the step of accessing captured disablement information includes accessing claimant services information, assessment data, plans of care, care management costs, losses by activities of daily living (see: Peterson, column 4, lines 6-54), and eligible facilities (see: Peterson, column 8, lines 26-64).

41. As per claim 32, Peterson teaches the invention substantially as claimed, see discussion of claim 30, but fails to teach:

--the step of searching for a formula further includes searching for a formula having a traffic regulating step (see: Schoen, paragraph 254-255 and 308), each traffic regulating step having four parameters including a condition (see: Schoen, paragraphs 254-255), a next step (see: Schoen, paragraphs 254 and 255), a default step (see:

Art Unit: 3626

Schoen, paragraphs 254 and 255), *and on SQL expression* (see: Schoen, paragraphs 175 and 360).

42. As per claim 33, Peterson teaches the invention substantially as claimed, see discussion of claim 30, and further teaches:

--the step of paying the calculated benefit using benefit payment processing tools (see: Peterson, column 1, lines 8-15; column 4, lines 60-65; and column 10, lines 7-16).

43. As per claim 34, Peterson teaches the invention substantially as claimed, see discussion of claim 30, but fails to specifically point out:

--the step of performing financial reporting with claim reporting tools (see: Schoen, paragraph 258).

44. As per claim 35, Peterson teaches the invention substantially as claimed, see discussion of claim 30, and further teaches:

--the step of tracking financial adjudication data using claim adjudication tools (Fig. 4, ele. 48)(see: Peterson, column 9, lines 46-50).

45. As per claim 36, Peterson teaches the invention substantially as claimed, see discussion of claim 30, and further teaches:

--the step of capturing disablement information using customer service tools (Fig. 2, ele. 32)(see: Peterson, column 2, lines 1-4; column 3 line 66 through column 4, line 5; column 6, lines 64-66; column 7, lines 44-56; column 14, lines 16-31; and column 8, lines 50-60).

Response to Arguments

46. Applicant's arguments from the response filed on 06/02/2009 have been fully considered and will be addressed below in the order in which they appeared.

47. In the remarks, Applicant argues in substance that (1) the cited references fail to teach "the plurality of formulas corresponding to specific disablement information" because "such claim language requires a level of association between a formula and specific disablement information" and that Applicant's claim "requires a level of association between a formula and specific disablement information".

The Examiner respectfully disagrees. Applicant's arguments are not persuasive. Applicant claims broadly a "plurality of formulas, each formula corresponding to specific disablement information", but the formulas and the so-called specific disablement information to which they are associated are not stipulated and thus they must be given their broadest reasonable interpretation. The cited references teach calculation of disablement benefits for a plurality of situations depending on the specific risk being insured. Schoen teaches multiple plans based upon different participation criteria and further teaches that a specific "logic" for determining benefit amounts depending on plan design. Calculations based on logic for determining benefit or coverage amounts for specific risk situations based upon different participation criteria meets Applicant's limitations, as claimed, concerning formulas corresponding to specific disablement information such that there is an association between them.

48. In the remarks, Applicant argues in substance that (2) the cited references fail to teach "a benefit code in order to select an appropriate reimbursement formula".

Applicant's arguments with respect to the benefit code have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

49. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ROBERT SOREY whose telephone number is (571)270-3606. The examiner can normally be reached on Monday through Friday, 8:30AM to 5:00PM (EST).

50. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Christopher Gilligan can be reached on (571)272-6770. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

51. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/R. S./

Application/Control Number: 10/620,429

Page 23

Art Unit: 3626

Examiner, Art Unit 3626

18 August 2009

/C. Luke Gilligan/

Supervisory Patent Examiner, Art Unit 3626